



# Retirement comfort

Personalised versus standard plans

October 2020

challenger 

**National Seniors**  
AUSTRALIA

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National Seniors Australia and Challenger have mutual interests in the financial literacy, financial security, and broader wellbeing of older Australians. They formed a corporate partnership in 2012 to support the National Seniors Social Surveys, broader research, and some philanthropic endeavours.

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# Executive Summary

Superannuation, after retirement, moves in focus from saving well to spending comfortably. Continuing to focus on saving in retirement can reduce the enjoyment and comfort of later life. A survey of National Seniors members compared spending patterns across retirement comfort lifestyle markers with objective measures of retirees' wealth. It used some of the Association of Superannuation Funds of Australia (ASFA) markers representing different levels of a retiree's lifestyle across a range of goods and services categories.

## Findings

- Those with the highest level of savings and investments did not feel **'Comfortable'** across all lifestyle markers.
- Similarly, not everyone on the Age Pension (as their main income source) identified as being **'Constrained'** in lifestyle spending.
- Objective measures of wealth, based on savings, investments and estimated home value, were strongly associated with lifestyle spending decisions.
- Being worried about outliving savings was strongly inversely related to spending comfort; this association was not accounted for by level of objective wealth alone.
- Age, gender and partnership status influenced the spending patterns that defined level of retirement comfort, but these associations were not consistent across the spending categories.

## Conclusion

These findings highlight that benchmark approaches provide a general guide but are only a starting point when planning for a financially comfortable retirement. Personal preferences, together with lifestyle and care priorities need to be identified and finessed by using a tailored approach to plan an effective strategy for future retirement comfort. These observations are critical as we move into a challenging 'COVID normal' phase for retirees and superannuation funds with limited accumulation opportunities. They are also important observations for the growing trend to digitalisation in the superannuation and advice industries.

# 1. Background

Arguably the public and industry understanding of the Australian Superannuation Guarantee has neglected retirement. It has had an appropriate focus on saving balances during working life but failed to provide adequate advice on spending to achieve a comfortable later-life, which was the stated purpose of compulsory saving. One of the tools for comfortable spending is a set of retirement standards which benchmark the amounts of retirement savings required for people to have a comfortable versus a modest lifestyle in retirement. ASFA is the best known of these and estimates that single retirees need to spend \$44,000 a year and a couple \$62,000.<sup>1</sup> To define comfortable and modest lifestyles, the standard uses lifestyle 'markers' representing personal and household expenditure. A comfortable retirement lifestyle is attributed to buying better quality items or being unrestricted by cost when making lifestyle choices.

The generic lifestyle items selected by ASFA, and their proposed alignment with the categories of retirement affordability, provide a general framework for guiding retirement expectations and budgeting guidelines. Retirement spending plans also need to account for the considerable variation among retirees in their lifestyle priorities and expectations. With the rapid trend to digitalisation of information and particularly advice to fund members, more sophisticated profiling and personalisation are required. One-on-one financial advice can provide this but it is also reaching out for digital efficiencies.

Previous work by National Seniors and Challenger presented themes from interviews conducted among a small, randomly selected group of retirees about what it means to be financially comfortable.<sup>2</sup> Responses suggested that financial comfort is relative to personal values and not simply defined by absolute economic measures. Being comfortable was associated with the sense of 'having enough to last', having a secure income and being effective in one's life.

The National Seniors Social Survey conducted in 2019 provided the opportunity to investigate how retirees' objective wealth, measured as estimated savings and investments, translates into lifestyle-related spending decisions; specifically, whether being financially better-off equated to spending patterns associated with having a 'comfortable retirement' as defined by standards. This report looks at how retirees view the level of comfort in their retirement lifestyle, as indicated across a range of expenditure categories. Of particular interest, is whether or not a standard comfortable level is the same across all forms of spending and the impact of wealth on consumption.

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<sup>1</sup> ASFA-RetirementStandard-Summary-2018.pdf.pdf [Internet]. Available from: <https://www.superannuation.asn.au/ArticleDocuments/269/ASFA-RetirementStandard-Summary-2018.pdf.aspx?Embed=Y>

<sup>2</sup> McCallum J, Hosking D, Rahn A. (2019) *Feeling financially comfortable? What retirees say*. Brisbane: National Seniors Australia.

This question is now posed in a post-COVID environment where many self-funded retirees have expressed significant financial and personal distress<sup>3</sup>. It is critical that we find ways to minimise this distress and worry among older Australians. Moreover, as a wave of digitalisation washes through the superannuation industry accelerated by COVID impacts, it will be important to align of standard plans with individual circumstances in these generalised processes.

## 2. Data and Methods

### 2.1 The National Seniors Social Survey (NSSS-8)

National Seniors Australia conducts an annual online Social Survey open to members and the broader population aged over 50. In 2019, the financial module of the survey asked participants to identify the value of their estimated savings and investments at retirement and included questions that were aligned with seven out of 10 of the ASFA retirement comfort markers. The categories were:

- Home renovations
- Household items and appliances
- Power use
- Eating out
- Phone and internet connection
- Clothing quality
- Holidays

The three lifestyle categories not addressed were: private health insurance use, car ownership and leisure activity participation. The NSSS survey asked a more general question on the expectation and payment of household bills. Other relevant variables were: age, gender, partnership status, main source of income and worry about outliving savings and investments. The list of lifestyle questions and their wording are included in the Appendix together with the ASFA comfortable retirement template.

Data were cleaned in Excel according to predefined protocols to deal with duplicate responses and extracted into STATA. The categories 'Comfortable' retirement 'Constrained' retirement and 'Age Pension main income source' were coded as '1' '2' or '3' respectively and applied to the lifestyle-related response options.

Proportions of respondents identifying with each comfort category for the retirement lifestyle markers are presented graphically. Proportions are also shown according to savings and investment categories and when the Age Pension is the main income source. Chi Square tests evaluated if there were significant differences in the proportions of retirees in each of the comfort categories according to demographic characteristics, financial wellbeing and worry about outliving savings to inform multivariate logistic regression models. Demographic variables that were significantly different across the comfort levels of the

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<sup>3</sup> McCallum, J., Ee, N., Hosking, D. (2020) *COVID-19: Self-funded retirees' distress*. Canberra: National Seniors Australia

lifestyle markers were included in the multivariate logistic regression model for that marker. Due to the small number of retirees aged 50-59 (n=58), this group were not included when results were examined by age.

### 3. Results

**Table1:** Demographics of Retirees from the 2019 National Seniors Social Survey

<i>Retirees (n=2782)</i>	<i>Frequency</i>	<i>Percent</i>
<i>Age group</i>		
<i>*50-59</i>	58	2.1
<i>60-69</i>	847	30.8
<i>70-79</i>	1425	52.0
<i>80+</i>	421	15.3
<i>Gender</i>		
<i>Women</i>	1448	52.4
<i>Men</i>	1316	47.6
<i>Partnered</i>	1642	60.2
<i>Women</i>	1112	47.1
<i>Men</i>	1524	79.6
<i>Estimated savings and investments (including superannuation)</i>		
<i>under \$100k</i>	552	20.4
<i>\$100k-\$300k</i>	412	15.3
<i>\$300k-\$500k</i>	336	12.4
<i>\$500-\$750k</i>	294	10.9
<i>\$750k+</i>	545	20.2
<i>Don't know/rather not say</i>	560	20.7
<i>Estimated home value</i>		
<i>Up to \$500k</i>	933	39.2
<i>\$500k-\$750k</i>	679	28.5
<i>\$750k+</i>	568	23.8
<i>Don't know/rather not say</i>	199	8.3
<i>Worried about outliving savings and investments</i>	1338	50.1
<i>Age pension as main income source</i>	525	18.9

Figures on pages 15 to 22 present the proportions of retirees who identified with the criteria for one of the three financial comfort categories of **Comfortable**, **Sufficient** and **Constrained** across the lifestyle comfort markers. For each lifestyle marker, proportions are presented according to savings and investment amounts and whether the Age Pension is the main source of income.

### 3.1 How stable were lifestyle definitions of retirement comfort?

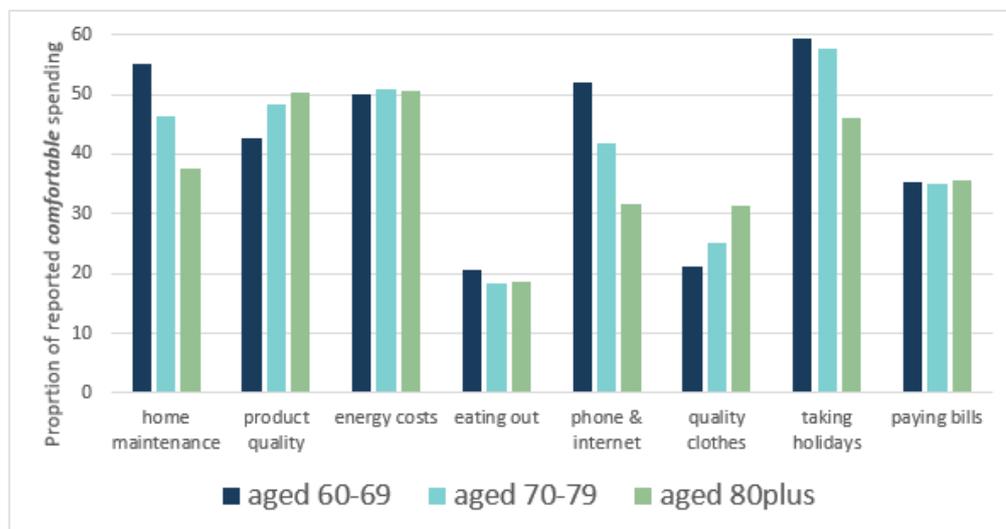
Overall, the proportion of retirees in the **Comfortable** category varied across the lifestyle markers and ranged between 19% for eating out to 56% for taking regular holidays which included occasional overseas trips (Figure 9; p.21). Not surprisingly, larger proportions of retirees were **Comfortable** in the higher income categories across all lifestyle markers and lower proportions were **Comfortable** when the Age Pension was the main source of income.

Even in the same savings and investment category, the proportions identifying as **Comfortable** varied depending on the marker of comfort being assessed. For example, in the \$500k-\$750k savings and investment category, the proportions of retirees classifying their spending as **Comfortable** ranged from 70.7% for taking holidays (Figure 9; p 21) to 23.7% for buying quality clothes (Figure 8; p 20).

There was no lifestyle marker where everyone with the highest level of savings and investments (\$750k+) felt comfortable; the highest proportion feeling comfortable was for taking holidays at 85%. Similarly, not everyone on the Age Pension was **Constrained** in terms of the lifestyle markers. No more than 30% of retirees reliant on the Age Pension as their main income fell into the **Constrained** category for most lifestyle markers (excluding eating out). For holidays (Figure 9; p 21), phone and internet use (Figure 7; p 19), paying for energy costs (Figure 5; p 17) and buying quality products (Figure 4; p 16), 25% or more of Age Pensioners chose the spending option that placed them in the **Comfortable** category.

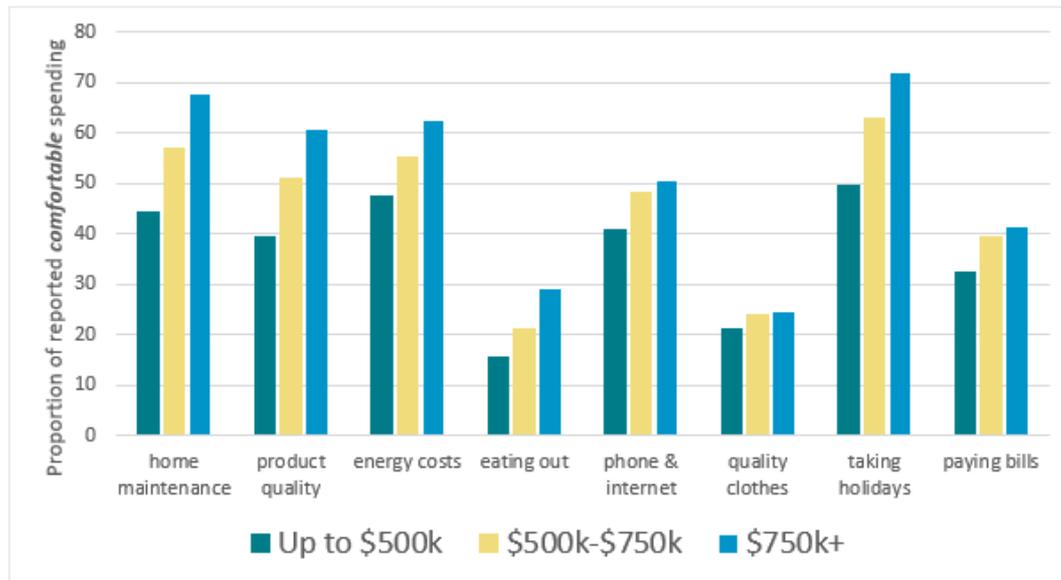
The impact of age varied across the expenditure categories. While some categories were stable across ages, such as comfort paying bills or for eating out, age had a specific impact on other spending types. The proportion of retirees who were comfortable paying for quality increased with age, whereas the proportions who were comfortable spending on home maintenance, phone and internet charges and taking holidays decreased with age.

**Figure 1: Comfortable spending by category and age group**



The impact of home value was consistent across the lifestyle markers. Higher levels of housing wealth were directly related to spending at the **Comfortable** level across categories. Wealth is very likely a factor here. Wealthier people tend to have a more expensive house, spend more and are more likely to be living a comfortable lifestyle in retirement.

**Figure 2:** Comfortable spending by category and housing value



Chi Square tests showed that financial comfort across the lifestyle markers differed, not only according to level of savings and investments, but also by worry about outliving savings, gender, age group and partner status. (See Appendix Table 3). Multivariate logistic regression models were used to test the relative strength of financial and demographic associations with financial comfort on each of the lifestyle markers. Odds ratios (**ORs**) and their confidence intervals (**CI**s) for these associations are presented in Appendix 3.

### 3.2 Wealth effects dominate

Retirees with \$500k or greater in savings and investments were more likely to be comfortable across all lifestyle measures, especially for doing home maintenance, which had the strongest association with financial wealth. Retirees with \$500k or more were greater than five times more likely to feel they could afford to replace their bathroom and kitchen compared those who had under \$500k.

Comfort in paying for other lifestyle factors was not as strongly related to wealth.

For everyday costs, people with savings and investments of \$500k or more were

- 83% more likely to be comfortable paying bills
- 68% more likely to be comfortable spending on phone and internet
- 63% more likely to be comfortable buying quality clothes

As could be expected, the more discretionary lifestyle measures had stronger associations with wealth. People with savings and investments of \$500k or more were

- Three and half times more likely to be comfortable taking regular holidays
- Three times more likely to buy high quality household products
- Approximately two and half times more likely to be comfortable eating out

As shown by the bar graph in Figure 2, increasing home value was associated with expenditure comfort, although overall associations based on the multi-variate models were weaker than having savings or investments worth > \$500k.

### 3.3 Older Age

The older age cohorts were 33% less comfortable than younger ages spending on home maintenance and 38% less comfortable spending on phone and internet charges, but buying quality products and quality clothes were 27% and 47% respectively more likely in older age groups. There were no effects of age group for spending comfort on energy use, taking regular holidays or for paying bills.

### 3.4 Worrying or not

Not worrying about outliving savings was more important for retirees than their objective wealth for:

- purchasing household products;
- purchasing quality clothes
- eating out
- unrestricted energy use;
- paying bills

The effects of being unworried compared to effects for objective wealth were most striking for energy use. Having savings over \$500k was associated with being approximately 2.6 times more likely to be comfortable paying energy costs. For comparison, those unworried about outliving savings were 4 times more likely to be comfortable paying energy costs. These associations were significant with controls for the effects of home value, age, gender and partnership status.

### 3.5 Other effects

Being partnered was associated with comfort spending on energy use and reluctance to spend on eating out, but not with comfort on any of the other lifestyle markers. Both social and financial factors may account for couples' lack of comfort eating out, but for energy spending, living with a partner potentially means energy costs are cheaper per person because two people rather than one benefit from heating or cooling the home.

The effect of gender was negligible across most lifestyle markers in the multivariate models. Women were 31% more comfortable buying quality products and 28% more comfortable paying bills than men, but these associations only just reached significance. Gender and partner status were closely related in this sample with a higher proportion of men (80%) being partnered than women (47%) (see Table 1).

## 4. Discussion

### 4.1 Spending patterns

The inconsistencies shown in retiree spending decisions according to their objective wealth levels suggests that using a general set of lifestyle spending markers alone does not effectively capture how retirees view comfort. Being comfortable is more nuanced and likely defined according to personal characteristics. A retiree's perspective on comfort is linked not just to the amount that they have available to spend, but also to what they spend their money on.

This is evident in the pattern of spending by age. Spending on communications (phone and internet) is striking. A higher proportion of the oldest retirees were **Constrained** in their phone and internet spending which meant they nominated having a basic or no phone and internet package. For retirees over 80, the latest innovations such as smart phones and wifi at home did not exist before they retired and, although there are exceptions, digital literacy tends to be lower in this age group.<sup>4</sup> Thus, capacity to pay does not always determine people's view of retirement comfort. Changes in retirement spending as people age was recognised in 2015 by ASFA's release of retirement standards for those over 85 acknowledging that this age group tend to spend less on holidays, transport and more on health costs.<sup>5</sup>

Although gender and partner status were individually associated with spending comfort (see Appendix *Figure 1*), when considered together with the other factors in the multivariate models, their effects were minimal. In retirement, female gender is associated generally with poorer financial wellbeing but separating the effects of partnership status and gender in the NSSS-8 sample is difficult because a greater proportion of men were also partnered compared to women.

Typically, being partnered would impact on financial comfort in part because it is cheaper (per person) to run a couple household than a single household. Being partnered is associated with higher savings and home value (Appendix *Figure 2*) so the preliminary findings showing partnership effects on spending comfort are likely accounted for by measures of wealth.

### 4.2 Impact of COVID-19 on perceptions of comfort?

The patterns of spending across lifestyle categories provides some insight into the potential impact of COVID-19 restrictions on future lifestyle definitions of retirement comfort. The highest proportion of people (56.5%) reported they were **Comfortable** taking regular holidays. The lowest category of comfort across the groups was eating out, with only 19.4% reporting they were **Comfortable**. Border closures and limits on

<sup>4</sup> Maccora, J., Rees, K., Hosking, D. & McCallum, J. (2019) Senior Surfers: Diverse levels of digital literacy among older Australians. Brisbane: National Seniors Australia.

<sup>5</sup> Spending patterns of older retirees: New ASFA Retirement Standard 2014: [Internet] available <https://www.superannuation.asn.au/ArticleDocuments/269/ASFA-RetirementStandardOlder-Sep2014.pdf.aspx?Embed=Y>

travel, particularly international travel, have had a severe impact on the ability of retirees (or anyone) to travel for a holiday. Retirees are likely to feel this as a major impact to their idea of comfort in retirement; the extended border closures will mean that many have had to forego planned holidays. This is likely to have a greater impact on retirees' sense of comfort than the restriction on eating out. Relatively low proportions reported comfort on this measure in the survey period that was prior to COVID-19.

### 4.3 Managing retirement worry

Reducing worry in retirement is now a high priority policy target. The interdependency between the Age Pension and accumulation of private savings through income and assets tests creates uncertainties for possibly a quarter to half of retirees. They are dealing with both financial and regulatory change risks to their plans and this will increase with the uncertainties of the COVID-19 pandemic. The findings show the importance of addressing factors beyond objective measures of financial wellbeing in considering what retirees need for a comfortable retirement. Specifically, worrying about outliving savings and investments had a robust association with all the spending categories, and this association was significant even after measures of wealth were accounted for.

When speaking about retirement comfort in previous research, retirees highlighted that having 'enough to last' and preserving capital were important in defining comfort and both confidence and uncertainty about financial security can co-exist.<sup>6</sup> The long, unresolved policy debate about providing deferred annuities needs to be brought to a decision point to deal with this fear of money not lasting. Trustees of funds can take the lead on this and provide attractive options that would allow people to be relieved the worry.

Further, the evidence here suggests that sustaining support for normal household items like energy use can reduce worry. Having savings over \$500k was associated with being approximately 2.6 times more likely to be comfortable paying energy costs whereas for those unworried about outliving savings were 4 times more likely to be comfortable. Continued policy attention to this can reduce worry and its consequences. Findings suggest that for some lifestyle spending decisions, financial worry is at least as relevant as objective wealth in defining comfort. All responsible parties must prioritise dealing with worry.

### 4.4 Planning for later life

Lifestyle definitions of retirement comfort often don't specifically account for retirees' potential financial contributions to aged care costs. As people age, the proportion of those requiring some assistance with core activities such as mobility, communication or self-care increases from 10% of people aged 65-74 to 22% for those aged 75-84, and half (53%) of people 85 and over requiring assistance.<sup>7</sup> Our previous survey found that only 3 percent of the 8 out of 10 respondents who had made plans for retirement, planned to

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<sup>6</sup> National Seniors and Challenger, *Retirement income worry: Who worries and why?* Canberra: National Seniors. January 2020

<sup>7</sup> ABS *Census of Population and Housing, 2016*

spend more in later life but there is an increasing likelihood of needing to pay more for care as longevity and accompanying frailty increase.<sup>8</sup>

Peoples' strong preference is to stay in their own homes which means setting a home up appropriately to meet changing health and care needs. In the current survey, being older was associated with less comfort paying for home maintenance and communication costs, both of which are essential to maintaining quality of life at home. Encouraging retirees to incorporate ageing and aged care costs into their retirement planning provides a more realistic model of retirement comfort and could help alleviate worry about having enough money for their future needs. Quality care, often neglected in planning for the future, needs to be given greater priority when considering a comfortable later life.

#### 4.5 Tailoring financial advice to retirees

The Hayne Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry set new guidelines around advice. In the short-term, this may have slowed the development of advice that funds could provide to members on spending. With parallel impacts of regulation on the financial advice industry, greater responsibilities now fall on trustees to continue the shift from an 'account balance' focus to spending for a comfortable retirement. Given that it will be increasingly digital in delivery, the specific 'profiling' reported in our models here needs to be further developed and incorporated into such advice. There is no 'one size fits all' for comfortable retirement and smarter digital solutions are needed.

The financial advice industry has declined in number of providers and will decline further with the constraints emerging from the Royal Commission. There is a potential advantage for financial advisers in managing the variability of retirees' spending patterns across comfort levels. They have the ability to personalise advice. The standards represent a good starting point, but they need to accommodate a more nuanced and less generic approach to comfort. A spending priority for one person will not be a priority for another.

The results in this survey highlight the need to develop a plan that is tailored to the needs of the client. Also, people's priorities change over time, including from external events, and differ according to multiple personal characteristics. A retirement plan that is tailored to individuals' lifestyle preferences, is flexible and provides strategies for long-term security is more likely to be successful. Despite an increase in digital advice, personalisation will still need to be given a high priority as the key aspect of good financial advice.

## 5. Conclusion

Our findings show that retirees' spending patterns do not conform consistently to externally defined lifestyle definitions of retirement comfort. Wealth certainly makes for

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<sup>8</sup> McCallum, J., Maccora, J., & Rees, K. (2018). *Hope for the best, plan for the worst? Insights into our planning for longer life*. Brisbane: National Seniors

a more comfortable retirement, but higher wealth does not guarantee spending comfort and lower wealth does not preclude a comfortable retirement. The other factors apart from wealth that defined spending comfort were age and most importantly, lack of worry about out-living savings.

Standard aids to planning are useful and provide aspirational targets, but they need to incorporate personal characteristics and values in defining lifestyle comfort. Once retired, the preferred consumption bundle will differ from the standard, providing scope for a tailored approach to improve the outcome for a retiree. Such planning is also open to market risks as we have seen with the Global Financial Crisis and the COVID-19 pandemic. Both these catastrophic disruptions emphasise the need for planning that is robust, flexible and has realistic contingency options built in. This will include personalisation of information and advice that comes digitally and the creation of well-researched and trialled default settings to keep advice simple and practical. This challenge has now to be undertaken by older Australians planning for retirement or adjusting their retirement plans in difficult times who, hopefully, will be better informed. They need to be fully supported by trustees of superannuation funds, financial advisors and facilitated by better ‘tuned’ Government policies. Finally, it is important that this perspective is not lost in rush to digitalisation of advice and services.

## 6. Figures 3-10

The following figures were referred to in the Results section (pages7-8) and present the proportions of people who identified with the spending definitions of financial comfort on each of the ASFA lifestyle markers assessed in the NSSF-8.

**Figure 3. Financial comfort paying for home maintenance and renovations**

- **Comfortable:** could afford to replace my kitchen and bathroom at some point in the next 20 years
- **Sufficient:** I have no budget for home improvements. I can do repairs, but can't replace the kitchen or bathroom
- **Constrained:** I have no budget to fix home problems like a leaky roof

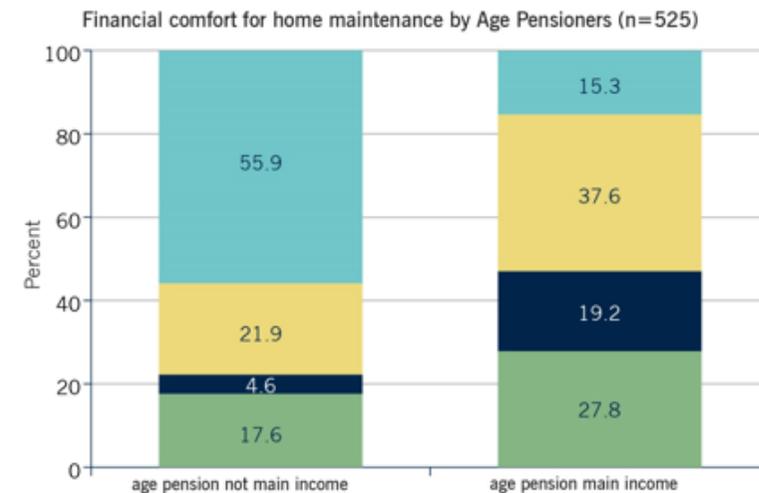
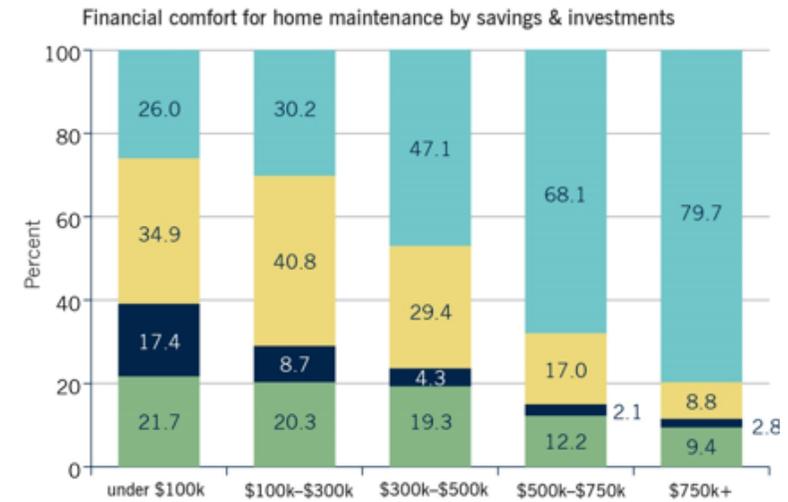
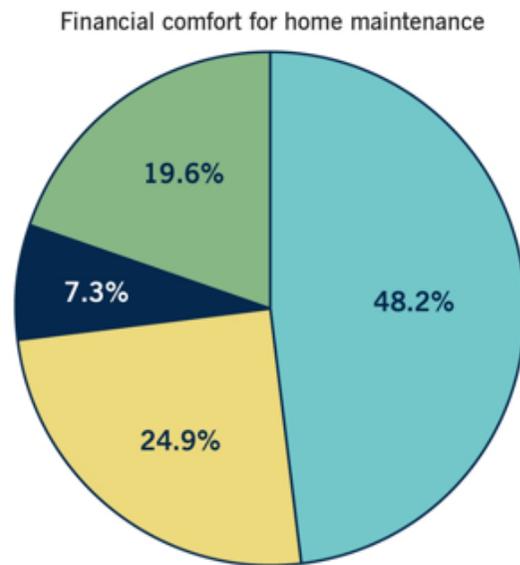


Figure 4. Financial comfort buying quality products

- **Comfortable:** I buy good quality products and don't worry if they cost more.
- **Sufficient:** I can't always afford the quality of products I would like.
- **Constrained:** I can't afford to buy the products I need.

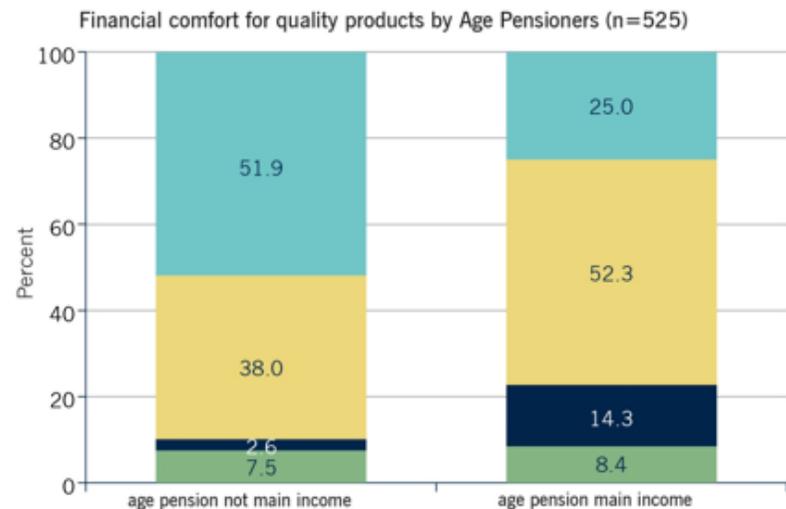
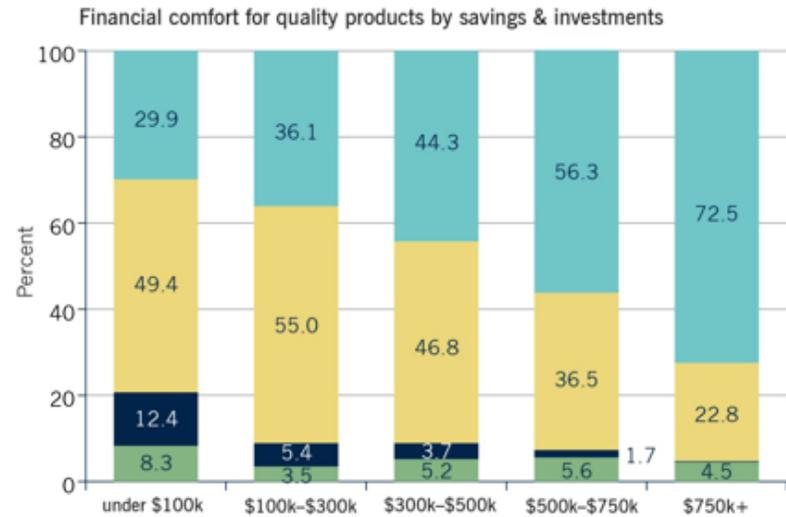
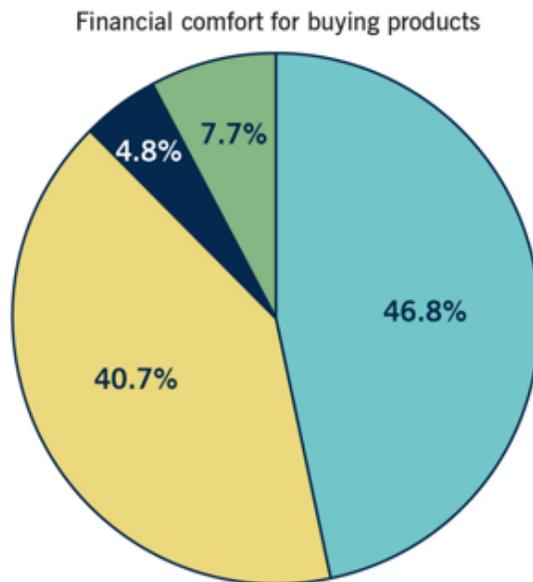


Figure 5. Financial comfort for energy use

- **Comfortable:** I can afford to run the heating and cooling as I need.
- **Sufficient:** I need to watch my utility costs.
- **Constrained:** I use less heating and cooling than I'd like because of the cost.

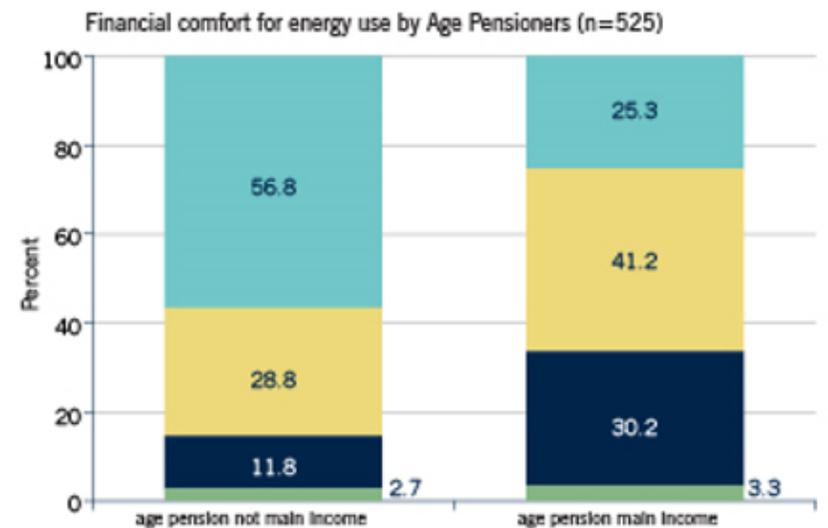
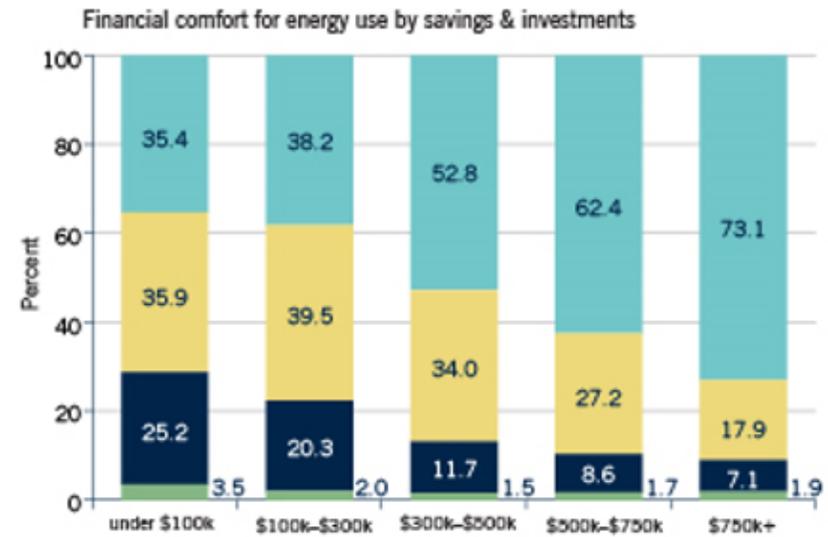
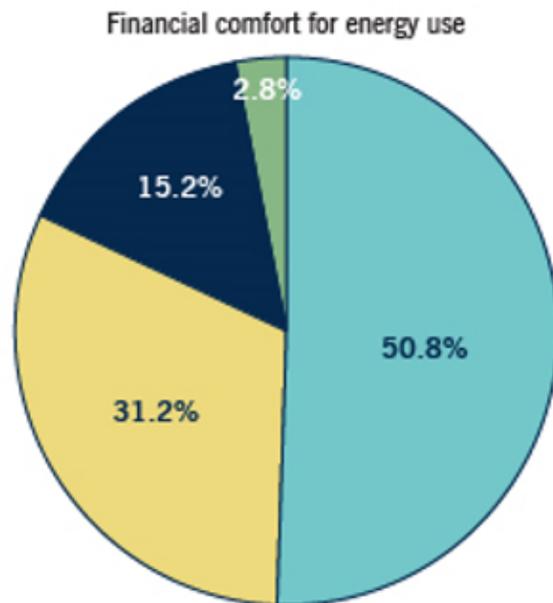


Figure 6. Financial comfort for eating out

- **Comfortable:** I eat out at restaurants regularly.
- **Sufficient:** I choose cheaper restaurants and takeaways to keep the cost down
- **Constrained:** I eat out only very occasionally because of the cost.

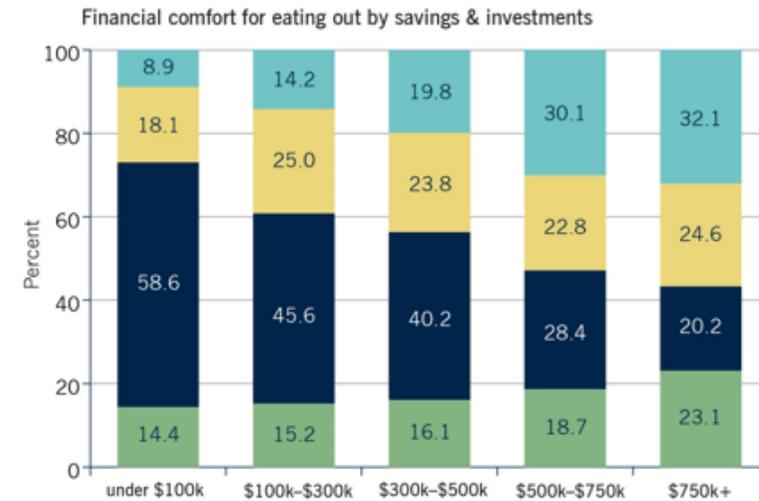
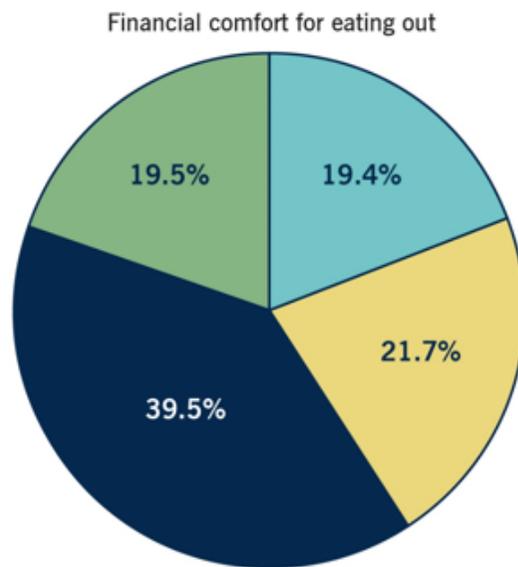


Figure 7. Financial comfort paying for phone and internet use

- **Comfortable:** I have fast internet connection, a big data allowance and a large talk and text allowance
- **Sufficient:** I have limited talk and text amounts on my phone and a small internet data allowance.
- **Constrained:** I have a very basic phone and internet package or no phone or internet package.

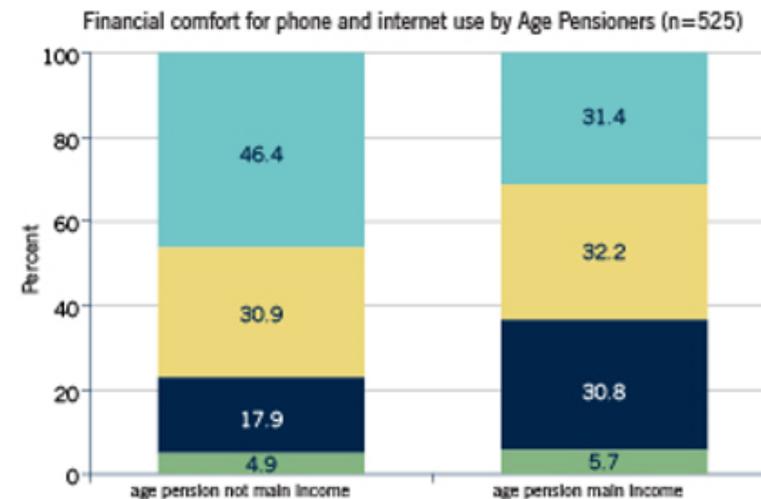
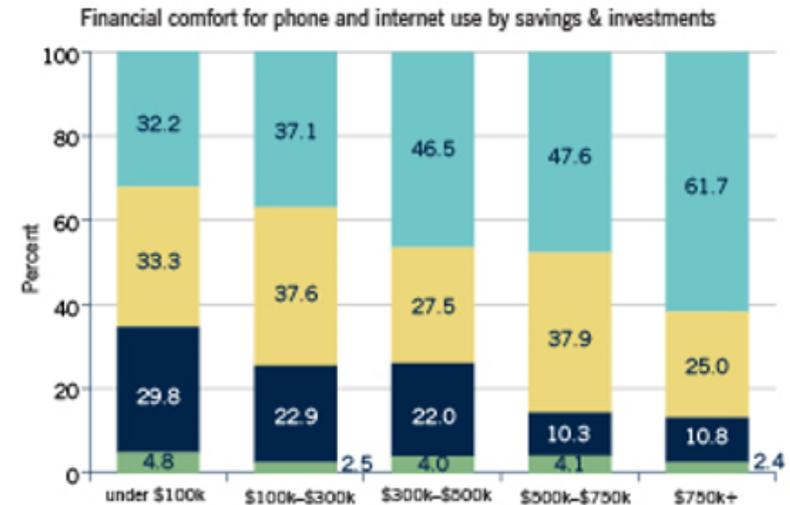
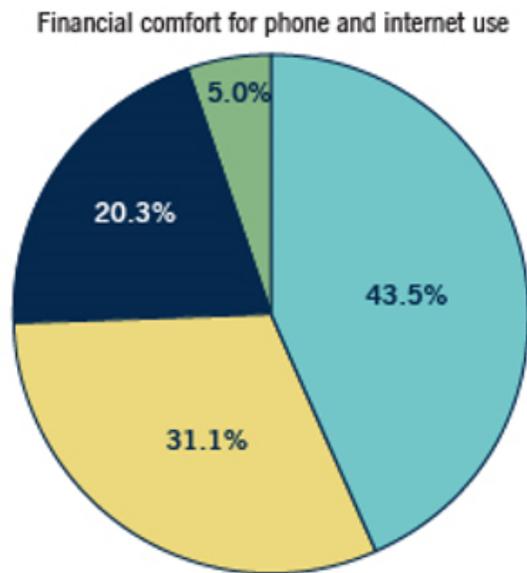
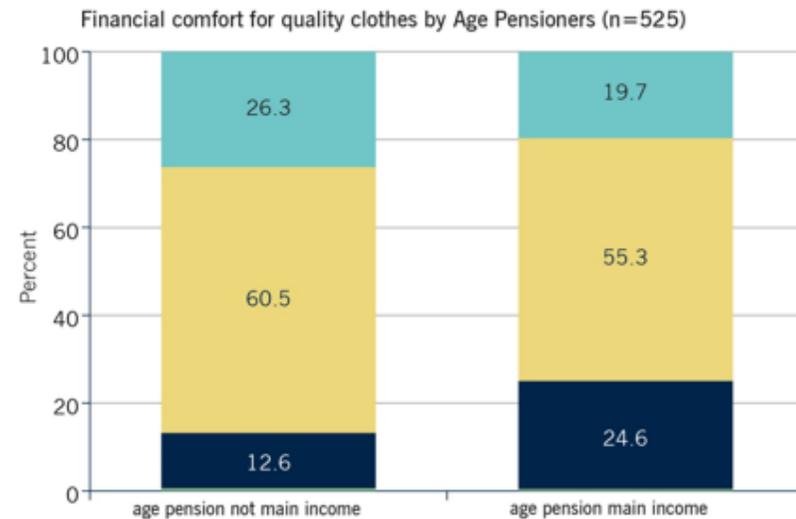
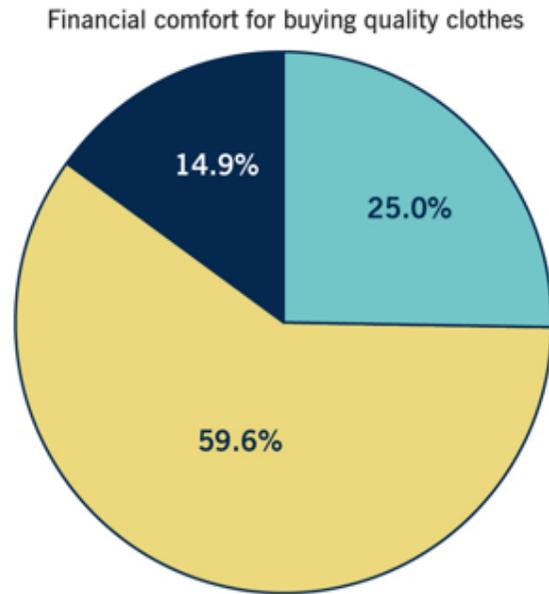


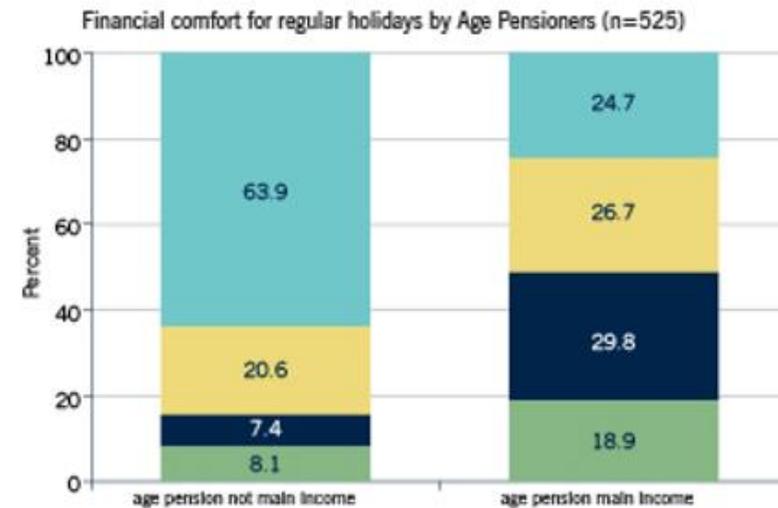
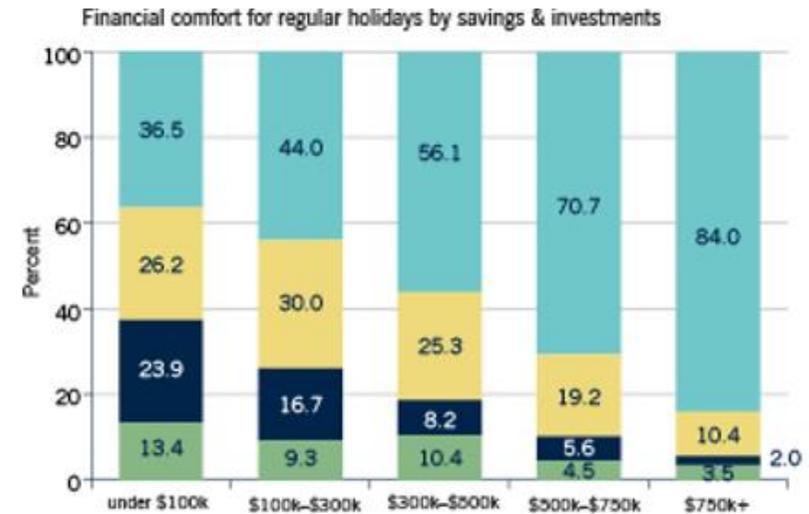
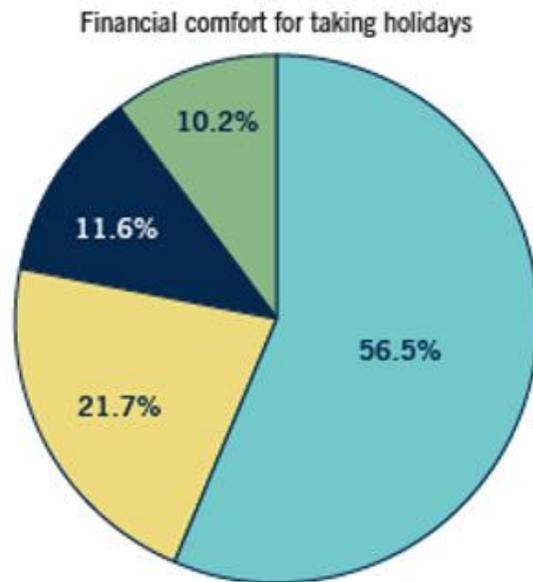
Figure 8. Financial comfort paying for quality clothing

- **Comfortable:** Good clothes
- **Sufficient:** Reasonable clothes.
- **Constrained:** Basic clothes.



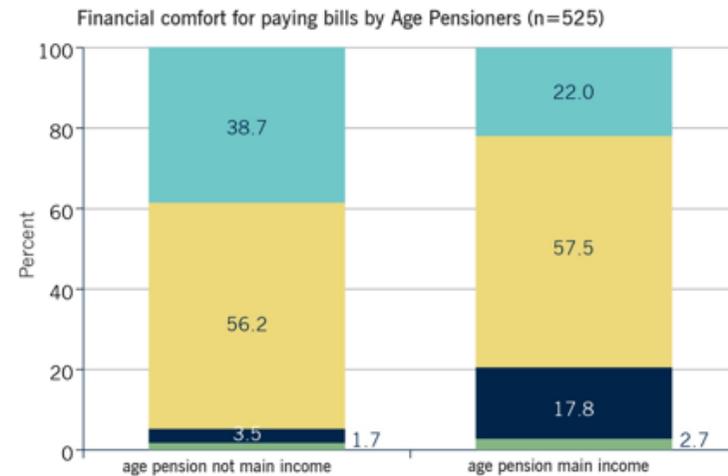
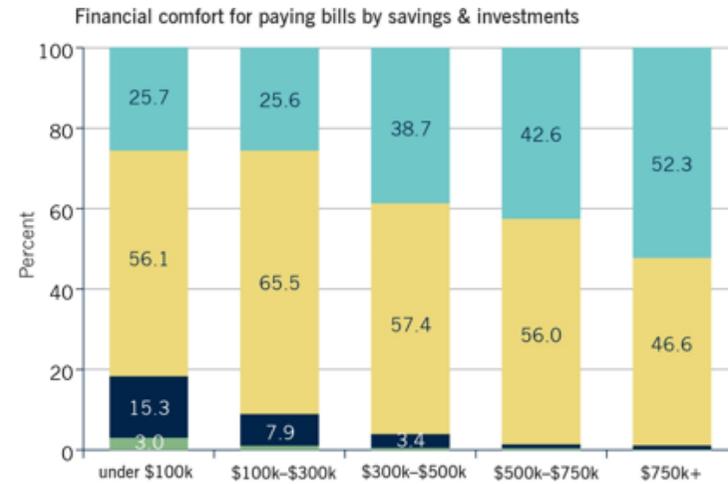
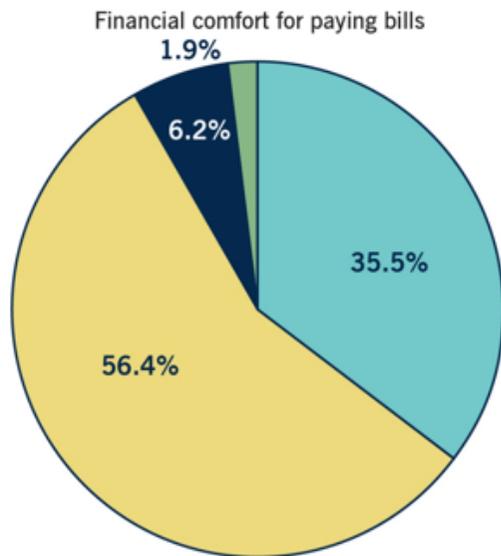
**Figure 9. Financial comfort paying for holidays**

- **Comfortable:** Domestic and occasional overseas holidays.
- **Sufficient:** One holiday in Australia or a few short breaks.
- **Constrained:** Shorter breaks or day trips in my own city.



**Figure 10. Financial comfort paying bills**

- **Comfortable:** Rarely shocked at the amount and rarely have a problem paying
- **Sufficient:** I'm sometimes shocked at the amount but mostly don't have problems paying
- **Constrained:** I'm often shocked at the amount and sometimes find it difficult to pay on time



## 7. Appendix

**Appendix Table 1.** *ASFA retirement comfort categories based on lifestyle markers*

<b>Comfortable retirement</b>	<b>Modest retirement</b>	<b>Age Pension only</b>
Replace kitchen and bathroom over 20 years	No budget for home improvements. Can do repairs, but can't replace kitchen or bathroom	No budget to fix home problems like a leaky roof
Better quality and larger number of household items and appliances and higher cost hairdressing	Limited number of household items and appliances and budget haircuts	Less frequent haircuts or getting a friend to cut your hair
Can run air conditioning	Need to watch utility costs	Less heating in winter
Restaurant dining, good range & quality of food	Take out and occasional cheap restaurants	Only club special meals or inexpensive takeaway
Fast internet connection, big data allowance and large talk and text allowance	Limited talk and text, modest internet data allowance	Very basic phone and internet package
Good clothes	Reasonable clothes	Basic clothes
Domestic and occasional overseas holidays	One holiday in Australia or a few short breaks	Even shorter breaks or day trips in your own city
Top level private health insurance	Basic private health insurance, limited gap payments	No private health insurance
Owning a reasonable car	Owning a cheaper more basic car	No car or, if you have a car, it will be a struggle to afford repairs
Take part in a range of regular leisure activities	One leisure activity infrequently, some trips to the cinema or the like	Only taking part in no cost or very low-cost leisure activities. Rare trips to the cinema

**Appendix Figure.1** NSSS-9 Retirement comfort questions based on 7/10 of the ASFA lifestyle markers

These next few questions are to help us understand how comfortably people are living. They may seem a bit personal but we want to be able to represent whether older Australians are living their lives the way they want to in retirement or whether they have to restrict their spending.

**69. In terms of home maintenance, which of the following applies best to you?**

- I could afford to replace my kitchen and bathroom at some point in the next 20 years
- I have no budget for home improvements. I can do repairs, but can't replace the kitchen or bathroom
- I have no budget to fix home problems like a leaky roof
- Don't know / rather not say / not relevant to me

**70. In terms of products and services you use, which of the following applies best to you?**

- I buy good quality products and don't worry if they cost more
- I can't always afford the quality of products I would like
- I can't afford to buy the products I need
- Don't know / rather not say / not relevant to me

**71. For energy use, which applies best to you?**

- I can afford to run the heating and cooling as I need
- I need to watch my utility costs
- I use less heating and cooling than I'd like because of the cost
- Don't know / rather not say / not relevant to me

Appendix Figure 1 *continued*

72. Thinking about eating out, which describes you best?

- I eat out at restaurants regularly
- I choose cheaper restaurants and takeaways to keep the cost down
- I eat out only very occasionally because of the cost
- Don't know / rather not say / not relevant to me

73. Which is the best description of your mobile phone and internet packages?

- I have fast internet connection, a big data allowance and a large talk and text allowance
- I have limited talk and text amounts on my phone and a small internet data allowance
- I have a very basic phone and internet package or no phone or internet package
- Don't know / rather not say / not relevant to me

74. For my clothes, I would say I wear

- Good clothes
- Reasonable clothes
- Basic clothes
- Don't know / rather not say / not relevant to me

75. My budget allows for the following kind of holidays

- Domestic and occasional overseas holidays
- One holiday in Australia or a few short breaks
- Shorter breaks or day trips in my own city
- Don't know / rather not say / not relevant to me

76. When it comes to paying my bills

- I'm rarely shocked at the amount and rarely have a problem paying
- I'm sometimes shocked at the amount but mostly don't have problems paying
- I'm often shocked at the amount and sometimes find it difficult to pay on time
- Don't know / rather not say / not relevant to me

**Appendix Table 2.** Chi square values: tabulations of lifestyle spending comfort against demographic variables

Comfort variable	Savings & investments >\$500k	Home value	Not worried outliving savings	Gender	Age group	Being partnered
Home maintenance	***329.04	***78.90	***262.42	***34.25	**20.21	***44.60
Buying quality products	***214.21	***69.81	***284.38	***42.40	**14.06	**14.51
Energy use	***169.25	***33.50	***307.07	***21.62	2.69	***63.40
Eating out	***171.08	***58.85	***164.32	1.96	3.08	*8.70
Phone & internet	***99.78	***40.62	***44.91	***8.43	***63.72	**11.62
Buying quality clothes	***63.75	***39.01	***72.88	**14.62	***24.00	*7.44
Taking holidays	***231.14	***78.71	***158.40	***21.27	*11.11	***35.86
Paying bills	***126.18	***26.64	***234.47	***30.59	6.17	*7.01

\*\*\* p<.001; \*\*p<.01; \*p<.054.

**Appendix Table 3.** Associations between retiree characteristics and retirement comfort across lifestyle markers

Characteristic	Comfortable home maintenance		Comfortable buying products		Comfortable energy use		Comfortable eating out	
	OR	95% CI	OR	95%CI	OR	95%CI	OR	95%CI
Savings/investments >\$500k	***5.30	4.04-6.95	***3.05	2.41-3.86	***2.66	2.11-3.40	***2.60	1.98-3.40
Home value	***1.36	1.16-1.59	**1.28	1.11-1.47	1.05	0.92-1.21	**1.30	1.10-1.53
Not worried about outliving savings	***4.59	3.58-5.89	***3.53	2.83-4.40	***4.13	3.33-5.13	***3.05	2.34-43.96
Gender	1.13	1.16-1.59	*1.31	1.03-1.67	0.90	0.71-1.14	n/a	n/a
Age group	**0.77	0.63-0.93	**1.27	1.07-1.51	n/a	n/a	n/a	n/a
Being partnered	1.19	0.90-1.57	0.98	0.77-1.26	*1.33	1.04-1.69	*0.68	0.52-0.90

OR: Odds Ratio; CI: Confidence Interval

\*\*\* p<.001; \*\*p<.01; \*p<.05

Home value=3 categories: <\$500k; \$750k; >750k

Age=3 categories: 60-69; 70-79; 80-89

Gender: men=1 women=2

n/a: variable not included in model due to preliminary Chi Square tests showing no association.

**Appendix Table 3. continued***Associations between retiree characteristics and retirement comfort across lifestyle markers*

Characteristic	Comfortable phone and internet		Comfortable quality clothes		Comfortable taking holidays		Comfortable paying bills	
	OR	95% CI	OR	95%CI	OR	95%CI	OR	95%CI
Savings/investments >\$500k	***1.68	1.35-2.08	***1.63	1.28-2.08	***3.52	2.73-4.53	***1.83	1.47-2.29
Home value	1.04	0.92-1.19	*1.20	1.04-1.39	***1.43	1.23-1.66	0.99	0.86-1.14
Not worried about outliving savings	***1.57	1.28-1.93	***1.68	1.33-2.12	***2.51	1.99-3.16	***3.12	2.52-3.86
Gender	1.07	0.86-1.33	1.17	0.91-1.51	0.97	0.75-1.25	*1.28	1.02-1.61
Age group	***0.62	0.53-0.73	***1.47	1.23-1.76	0.84	0.70-1.00	n/a	n/a
Being partnered	1.01	0.80-1.27	0.93	0.71-1.22	1.06	0.82-1.39	0.86	0.68-1.10

OR: Odds Ratio; CI: Confidence Interval

\*\*\* p&lt;.001; \*\*p&lt;.01; \*p&lt;.05

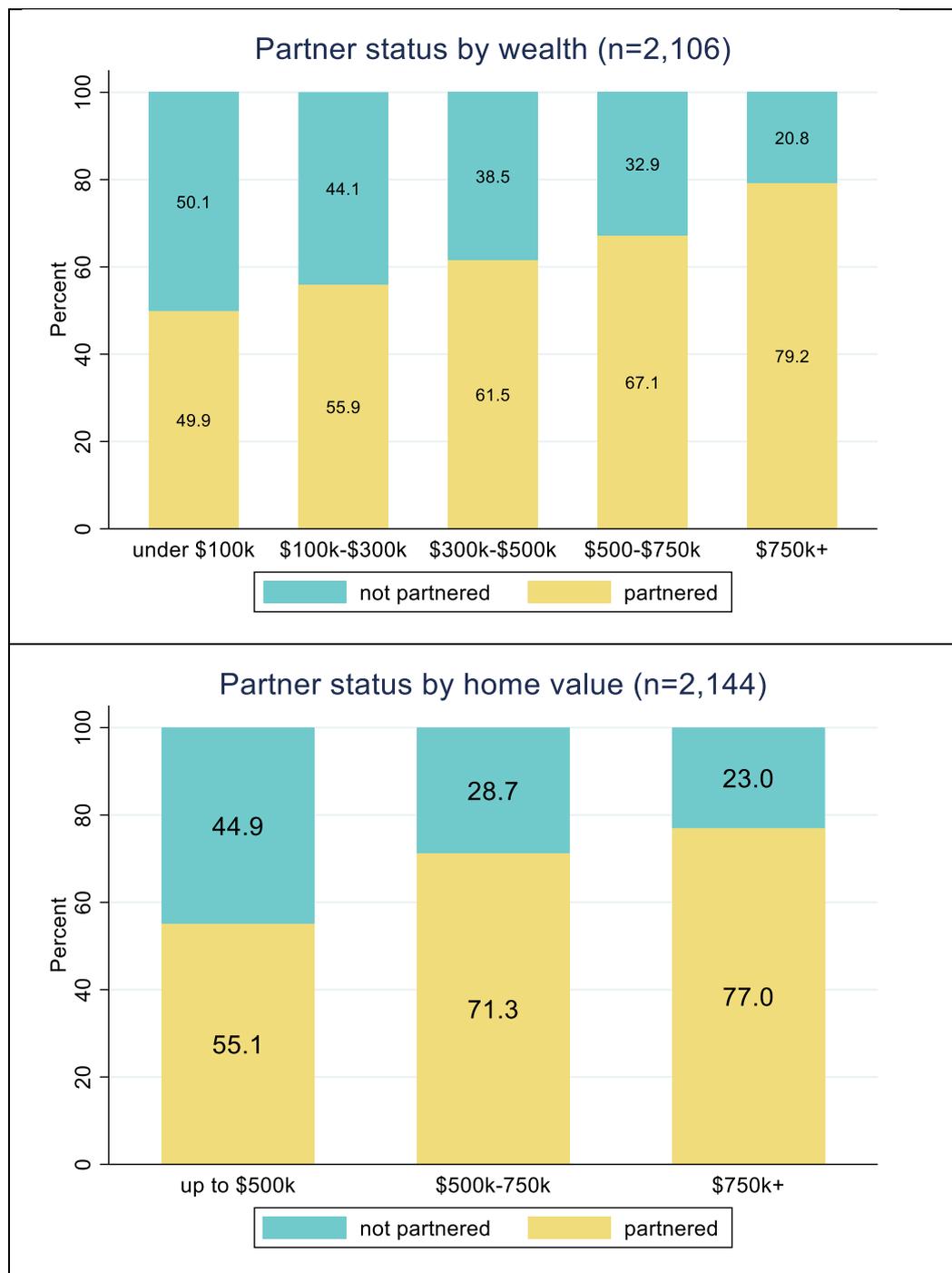
Home value=3 categories: &lt;\$500k; \$750k; &gt;=\$750k

Age=3 categories: 60-69; 70-79; 80-89

Gender: men=1 women=2

n/a: variable not included in model due to preliminary Chi Square tests showing no association

**Appendix Figure 2: Partner status by wealth and by home value from the NSSS-8**



## 8. Current Publications

### 2018

Rees, K. & McCallum, J. (2018). *A Little Help from My Friends: Getting good advice in the Information Age*. Brisbane: National Seniors. Published 18/1/18.

McCallum, J., Maccora, J. & Rees, K. (2018). *Hope for the best, plan for the worst? Insights into our planning for longer life*. Brisbane: National Seniors. Published 1/2/18.

McCallum, J., Rees, K. & Maccora, J. (2018). *Accentuating the positive: Consumer experiences of aged care at home*. Brisbane: National Seniors. Published 30/4/18.

National Seniors & Retirement Essentials (2018). *The Centrelink Experience: From 'waiting, frustrating, hopeless' to 'helpful', 'friendly', 'positive'*. Brisbane: National Seniors. Published 18/6/18.

National Seniors & Challenger (2018). *Once bitten twice shy: GFC concerns linger for older Australians*. Brisbane: National Seniors. Published 9/7/18.

Rees, K. & McCallum, J. (2018). *Dealing with Diversity: Aged care services for new and emerging communities*. Brisbane: National Seniors. Published 14/8/18.51

Rees, K., Maccora, J. & McCallum, J. (2018). *You don't know what you don't know: The current state of Australian aged care service literacy*. Brisbane: National Seniors. Published 26/9/18.

McCallum, J. & Rees, K. (2018) *Respect for age: Going, going or gone? Views of Older Australians*. Brisbane: National Seniors. Published 21/12/18.

### 2019

National Seniors submissions to the Royal Commission into Aged Care Quality and Safety:

1. Witness Statement 31/1/19;
2. Review of recommendations of prior reviews that were not implemented 6/2/19;
3. The dementia journey legacy of trauma and what to do about it 9/5/19;
4. Response to the Interim Report of the Aged Care Royal Commission 22/11/19

McCallum, J. Hosking, D. & Rahn, A. (2019) *Feeling financially comfortable? What retirees say*. Brisbane: National Seniors. Published 12/3/19.

Maccora, J., Rees, K., Hosking, D. & McCallum, J. *Senior Surfers: Diverse levels of digital literacy among older Australians*. Brisbane: National Seniors Australia. 13/8/19.

### 2020

National Seniors & Challenger (2020) *Retirement income worry. Who worries and why?* Canberra: National Seniors Australia 14/1/20.

National Seniors submission to the Royal Commission into Aged Care Quality and Safety:

1. Response to *Visions for Aged Care Consultation Paper 1* 24/01/2020

2. Submission to the Royal Commission Inquiry into accommodation *'The role of downsizing in Home Care'* 20/7/20
3. Response to Visions for Aged Care Consultation Paper 2: Financing Aged Care *'Policy development from the base up'* 4/08/2020

Hosking, D., Maccora, J., Ee, N., and McCallum, J., (2020) *Just doing it!?! Older Australians' Physical Activity*. Canberra: National Seniors 3/3/20.

Maccora, J., Ee, N., Hosking, D., McCallum, J. (2020) *Who Cares? Older Australians do*. Canberra: National Seniors 18/5/20.

Ee, N., Maccora, J., Hosking, D., McCallum, J. (2020) *Australian Grandparents Care*. Canberra: National Seniors 25/5/20.

Hosking, D. Ee, N., McCallum, J. (2020) *COVID-19 (1): Older Australians life and care during the pandemic*. Canberra: National Seniors Australia 9/7/20

McCallum, J, Ee, N., Hosking, D. (2020) *COVID-19 (2): Self-funded retirees' distress*. Canberra: National Seniors Australia 1/9/20

Hosking, D., Minney, A. and McCallum J., *Retirement comfort: Personalised versus standard plans*. Canberra: National Seniors Australia and Challenger October 2020

These and previous reports by National Seniors not listed above are available to download at <https://nationalseniors.com.au/>

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